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Budget Presentation for the Intelligence

Community

I. Problem:

1. To determine the desirability and feasibility of the formulation and presentation to the Bureau of the Budget and Congress of a coordinated Intelligence Community Budget.

II. Discussion:

1. It is clear that the intent of the National Security Act and the NSCIDs is that the Agencies represented on the Intelligence Advisory Committee are to operate insofar as possible as a system, interrelated and interdependent. While the Act and the Directives accord due respect to the fact that the individual intelligence agencies must meet their departmental responsibilities, the separate agencies are to be so managed as to achieve coordinated intelligence in the interest of national security.

2. Despite the necessity for budget requests to be related directly to the coordinated intelligence program, there is at present no machinery by which this can be accomplished. Present procedures provide only for each of the IAC agencies to present and justify their

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estimated requirements for the intelligence function independently to the Bureau of the Budget and Congress. In addition, as intelligence activities frequently cut across appropriation items, it is not even possible to readily identify by agency the funds requested for carrying out the intelligence function.

3. Due to the lack of a coordinated formulation and presentation of an Intelligence Community Budget, there is no mechanism by which either the Bureau of the Budget or the Congressional Committees on Appropriations can be made fully aware of the interdependence of the IAC Agencies and assured that the individual Agency requests are essential to the coordinated community effort. As a result, there is no assurance that the action taken on the estimates by either the Bureau of the Budget or Congress will be consistent among the IAC Agencies in regard to provision for intelligence activities.

4. To the extent that the allowances granted by the Bureau of the Budget for submission of estimates to Congress or the funds finally appropriated by Congress represent a reduction from the amount originally requested, adjustments must be made by the individual

*departments*

~~agencies~~ in the various activities, including intelligence.

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included within the general appropriation item. Due to the lack of a coordinated Intelligence Community Budget there is also no systematic way to assure that in this adjustment process balance is maintained among the IAC agencies in respect to intelligence activities.

5. The most effective method for assuring a fully coordinated Budget for the Intelligence Community would include provision for separate appropriations in each of the agencies for the intelligence function. This is not believed feasible, however, for many reasons including the fact that intelligence activities, in general, are not administered as separate organizational entities and therefore cannot be readily classified by appropriation accounts in the budget execution process.

### III. Recommendations:

1. That the IAC establish a Budget Subcommittee to develop annually a coordinated budget for the Intelligence Community.
2. That prior to the annual submission of Budget Estimates to the Bureau of the Budget by the individual IAC agencies, the budgetary requirements of each Agency for the intelligence function be compiled into a Special IAC Budget Summary by the Budget Subcommittee and

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submitted to the IAC for review and approval.

3. That the Special IAC Budget Summary provide a significant categorical breakdown by Agency of the total estimate for the intelligence function in the community together with a complete explanation of the interrelationship and interdependence reflected in the requirements.

4. That, upon approval by the IAC, each of the Agencies include, in accordance with present practice, their respective requirements in their regular budget presentation to the Bureau of the Budget.

5. That the IAC submit the Special IAC Budget Summary to the\*

6. That the Budget Bureau be requested to earmark in the granting of allowances to the individual IAC agencies the amount approved for intelligence activities; to the extent that the allowances reflect reductions in the original amounts requested, that the IAC Budget Subcommittee study and advise the IAC of the effects of the cuts on the coordinated intelligence program; that, when deemed necessary, the IAC appeal to the Budget Director the action taken on the allowances

and make every effort to secure restoration of essential items.  
\*Bureau of the Budget for its guidance in a coordinated review of the individual Agency requests.

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7. That the procedure followed in advising the Congressional Committees on Appropriations of the coordinated Budget requirements for the Intelligence Community follow one of two possible courses of action:

- a. The Special IAC Budget Summary, appropriately revised by the IAC to reflect the final allowances by the Budget Director, be submitted to the Committees for their guidance in the review of the individual Agency requests; or
- b. The individual Agencies be advised of final IAC approval of the coordinated Budget and be authorized to formally notify their respective Subcommittees of the Committees on Appropriations that the amounts included in their estimates for intelligence activities have been reviewed and approved by the IAC and have its endorsement as an essential requirement to the coordinated Intelligence Community program.

8. That IAC Budget Subcommittee review the action taken by the House on the individual appropriations requests of the IAC Agencies and advise the IAC of those instances where reductions

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would have an adverse affect on the Intelligence Community; that these affects be reviewed by the IAC and, as appropriate, steps be taken to appeal the actions to the Senate either through direct communication to the Chairman of the Senate Committee on Appropriations, or by authorization to the individual Agencies affected to advise the Senate Committee on Appropriations of the IAC recommendation for restoration of the item as an essential requirement of the coordinated intelligence program.

9. That the IAC Budget Subcommittee study and report to the IAC the effects on intelligence activities of the final appropriation <sup>action</sup> taken by Congress; that IAC, as required, give appropriate support to the Intelligence Officials in the individual Agencies to assure that in the final allotment of funds that adequate provision is made for carrying out the Agency's responsibilities in the coordinated intelligence program.

Ministry of Defence - coord. role  
over 3 Services -

JIC

annual review of measures  
to improve intell.